

Industrial Snooping: Soviet, Domestic Style

FBI Agent Warns Industrialists Here Against Red Spies

By Larry Weekley
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An FBI agent told industrial executives here yesterday that Soviet agents are conducting a vacuum-cleaner operation in the United States to gather technological and scientific information.

He cited estimates that 70 per cent of the Soviet and satellite diplomats assigned to Washington or the United Nations have espionage assignments.

"They are interested in literally everything and will use every possible technique to secure data," he said. "They are willing to spend large sums of money quickly for information they think may lead to classified data."

Addresses Tool Makers

The FBI speaker was Fern C. Stukenbroeker, a special agent assigned to internal security work. He addressed the spring meeting of the National Machine Builders Association in the Mayflower Hotel.

The machine tool industry is a "glittering and attractive target" for Soviet espionage, Stukenbroeker said, through its strategic position as the maker of tools used to make defence and consumer products.

He said Soviet agents are exploiting "the vast reservoir of scientific and technological information" in the United States and told the industrialists that "you probably don't realize how much Soviet agents would like to gain access to your files and your confidential information."

Much of the information gathered by the agents is contained in public documents, Stukenbroeker said, "and they have as much right as anybody else to collect public documents in our free country."

Reds Attend Parleys

Soviet agents hope the vacuum-cleaner will lead them to classified information, "the real pot of gold at the end of

the espionage rainbow," Stukenbroeker said. He said the industrialists and their employees may be Soviet espionage targets—especially if they have access to classified information and also have some personal weakness that could make them vulnerable to blackmail.

He said Soviet diplomats and deep-cover espionage agents—"refeathered in Moscow" with false identities—love to attend technical and scientific conventions, collecting brochures and exchanging business cards in the hope of developing a "friendship for a purpose." These agents also make frequent trips to American military bases and industrial plants, taking photographs, Stukenbroeker said.



FERN C. STUKENBROEKER
... warns against spies

Bar Was Bugged, Schenley's Head Says at Hearing

Senators were told yesterday that sensitive electronic equipment is used for industrial spying on big business firms.

The president of Schenley Industries, Inc., told a Senate judiciary subcommittee that such devices had been used in both his home and his office to obtain intimate and confidential business information.

Lewis S. Rosenstiel of Miami Beach, Fla., head of the liquor manufacturing firm, said that a small transmitter was found behind the plywood paneling of the bar in a conference room in his home last January. He said also that a tap had been made on the private telephone in his office.

He said he had no idea who planted the equipment, but it must have been someone wanting information on his company's financial operations.

The subcommittee is investigating the problems faced by the Federal Communications Commission in the eavesdropping field.

Rosenstiel and Louis B. Nichols, executive vice president of the firm, said they were confident there was no leak of information from other officials of the firm, whom they regarded as above reproach.

Nichols, former assistant FBI director, said that some information on the firm's intimate business plans got out as a result of "clandestine intrusion."

Nichols said that last January he had a telephone call from a New York City man who reported he had heard certain information which Nichols said could have gotten out only through a tap or a bug.

Rosenstiel said that through electronic equipment, businesses are subject to piracy and the stealing of business secrets.

Sen. Jacob K. Javits, (R-N.Y.) asked whether American firms use such equipment on each other. Rosenstiel said he couldn't speak for other firms but that Schenley did not. To another Javits question, Rosenstiel said he would outlaw the use of such equipment by one firm against another.